

October 4, 2000

Mary L. Cottrell, Secretary

Department of Telecommunications and Energy

One South Station, 2nd Floor

Boston, MA 02110

Re: Massachusetts Electric Company and Nantucket Electric Company - Standard Offer Adjustment - D.T.E. 00-67

Dear Secretary Cottrell:

Pursuant to the Hearing Officer's September 21, 2000 Memorandum concerning Technical Conference Procedures, the Attorney General hereby submits the following inquiries:⁽¹⁾

1. Please provide copies of all the original supply contracts for Standard Offer Service and all amendments. Include the original Eastern Edison contracts and amendments. Highlight or include a listing of all provisions that pertain to the operation of the fuel trigger.

2. Please provide a schedule of payments and amounts by month breaking out the fuel adjustment payment amount from the total and showing the kWh delivered for each

month since beginning with the first month the fuel adjustment became effective. Provide separate schedules for each contract. Include all Eastern Edison contracts' data.

3. Refer to Exhibit MJH-4. Please provide the rationale for seeking recovery of projected expenses related to the Fuel Trigger provisions of the Company's contracts for Standard Offer Service rather than recovery of the actual incurred costs.

5. Refer to Exhibit PTZ-1, p.4. Please explain what the notation (1) refers to in column (e).

6. What is the current balance of the Company's "Environmental Response Cost" fund created under the terms of the settlement in D.P.U. 93-194? Provide the annual deposits including interest and withdrawals for the fund for each of the past five years. Given this five year history of the fund, what amount does the Company consider to be in excess of reasonably anticipated expenditures? If this excess amount including interest were to be refunded to customers over 12 months, what would the ¢/kWh credit equal? What would it be over 24 months? Provide all calculations, workpapers and assumptions.

7. What is the highest overall rate increase MECo has ever implemented at one time on an average ¢/kWh and percentage basis?

8. Has the Company contemplated any special programs or discounts to lessen the more than 16% impact of the fuel adjustment on its low income customers? If yes, please discuss. If not, please explain.

9. Is the Company contemplating any securitization of its transition costs to mitigate the impact of the fuel trigger adjustment? If yes, please describe the Company's plans including the associated timelines. If no, please explain why?

Sincerely,

Joseph W. Rogers

Assistant Attorney General

cc: Caroline O'Brien, Esq. Hearing Officer

Ronald T. Gerwatowski, Esq.

Robert N. Werlin, Esq.

John Cope-Flanagan, Esq.

Scott Mueller, Esq.

David O'Connor, Commissioner

Judy Silvia, Esq.

1. The Attorney General reserves his rights pursuant to G.L. c. 30A, §§ 10 and 11, to call and examine witnesses, to introduce exhibits, to cross-examine witnesses who testify, and to submit rebuttal evidence.